



General Assembly

February Session, 2008

***Raised Bill No. 504***

LCO No. 2431

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Referred to Committee on Energy and Technology

Introduced by:  
(ET)

***AN ACT CONCERNING NATURAL GAS CUSTOMER CHOICE.***

Be it enacted by the Senate and House of Representatives in General Assembly convened:

- 1       Section 1. (NEW) (*Effective from passage*) (a) As used in this section:
- 2       (1) "Ancillary services" means those services necessary to effect a
- 3       transfer of natural gas capacity between a gas company and natural
- 4       gas seller and that a gas company must include in a transmission tariff.
- 5       (2) "Balancing assets" means those assets owned or held by a gas
- 6       company to equalize the volumes of gas withdrawn for a gas company
- 7       from a pipeline system with the volumes of gas injected into the
- 8       pipeline.
- 9       (3) "Capacity" means the maximum amount of natural gas that can
- 10      be produced, transported, stored, distributed or used in a given
- 11      period.
- 12      (4) "Commodity sales service" means those services performed by or
- 13      on behalf of the gas company associated with the provision of natural
- 14      gas to the end user.

15 (5) "Distribution costs" means those costs incurred by a gas  
16 company in connection with the distribution of natural gas, including,  
17 but not limited to, maintenance, installation, use or repair of gas mains,  
18 service connections and equipment to carry or control the supply of  
19 natural gas from the point of local supply to and including the sales  
20 meters.

21 (6) "Distribution service" means any service performed by or on  
22 behalf of a gas company in connection with the distribution of natural  
23 gas, including, but not limited to, maintenance, installation, use or  
24 repair of gas mains, service connections and equipment to carry or  
25 control the supply of natural gas from the point of local supply to and  
26 including the sales meters.

27 (7) "Firm storage capacity" means natural gas that is received by a  
28 gas company and held for redelivery to a customer at a later time.

29 (8) "Gas company" means "gas company", as defined in section 16-1  
30 of the general statutes.

31 (9) "Natural gas seller" means any person that sells natural gas to an  
32 end user in the state and is registered with the Department of Public  
33 Utility Control in accordance with section 16-258a of the general  
34 statutes.

35 (10) "Peaking assets" means those assets owned or held by a gas  
36 company for the supply of natural gas available to meet peak demand.

37 (11) "Storage assets" means those assets owned or held by a gas  
38 company for service in which natural gas is received by the gas  
39 company and held for redelivery to a customer at a later time.

40 (12) "Storage services" means those services performed by or on  
41 behalf of a gas company in connection with service in which natural  
42 gas is received by the gas company and held for redelivery to a  
43 customer at a later time.

44 (13) "Supply contract" means any arrangement, agreement, contract  
45 or other instrument that sets forth the conditions applicable to natural  
46 gas service.

47 (14) "Supply-related costs" means costs incurred by a gas company  
48 in connection with the supply of natural gas to an end user.

49 (15) "Transportation" means the act of moving gas from a  
50 designated receipt point to a designated delivery point pursuant to the  
51 terms of a contract between the transporter and the shipper.

52 (16) "Upstream" means from a reference point, any point located  
53 nearer the origin of flow, that is, before the reference point is reached.

54 Sec. 2. (NEW) (*Effective from passage*) On and after October 1, 2007,  
55 all retail natural gas customers of any gas company may purchase  
56 natural gas supply services from any natural gas seller registered with  
57 the Department of Public Utility Control in accordance with section 16-  
58 258a of the general statutes or such customer's gas company to the  
59 extent it offers such services.

60 Sec. 3. (NEW) (*Effective from passage*) (a) All natural gas sellers shall  
61 have unlimited access to the firm transportation rights held by any gas  
62 company, and each gas company that holds contracts for firm storage  
63 or transportation capacity, including supply contracts, shall release,  
64 assign or otherwise transfer such capacity or contracted-for supply on  
65 a nondiscriminatory basis to any natural gas sellers in accordance with  
66 sections 1 to 6, inclusive, of this act.

67 (b) Each gas company shall, on a daily basis, release, assign or  
68 transfer a pro rata share of one hundred per cent of such gas  
69 company's maximum daily quantity of pipeline capacity, as defined by  
70 the gas company, including storage, peaking and balancing assets  
71 sufficient to cover the level at which such gas company has procured  
72 capacity in order to meet customer requirements effectively. Each such  
73 gas company that releases capacity to a natural gas seller shall do so

74 through the expiration date of the respective capacity contract being  
75 assigned, released or transferred, provided, if a customer who is being  
76 served by a natural gas seller switched to natural gas service provided  
77 by a gas company, the capacity attributable to such customer shall  
78 revert back to said gas company.

79 (c) No gas company shall present any unnecessary barriers that  
80 prevent or reduce ready access to natural gas supply service for all  
81 customer classes, and each gas company shall ensure  
82 nondiscriminatory access to upstream capacity and storage services for  
83 all natural gas sellers.

84 (d) Each gas company shall establish and operate an electronic  
85 bulletin board by which the gas company shall provide all natural gas  
86 sellers with equal and timely access to information relevant to the  
87 availability of firm distribution service.

88 (e) Each natural gas seller and gas company shall manage each  
89 customer's natural gas supply to enable the customer to meet the  
90 customer's daily usage with the customer's confirmed pipeline  
91 delivery of natural gas supplies.

92 (f) On or before October 1, 2007, the Department of Public Utility  
93 Control shall establish rules for balancing natural gas supply with  
94 natural gas use to meet the gas reliability needs of customers as  
95 provided in subsection (e) of this section. The department shall  
96 conduct a contested case proceeding pursuant to the provisions of  
97 chapter 54 of the general statutes to establish such balancing rules.

98 (g) The department shall conduct a contested case proceeding  
99 pursuant to the provisions of chapter 54 of the general statutes to  
100 establish a procedure for monthly imbalance trading and nonpunitive  
101 and the assessment of market-based penalties in accordance with  
102 subsection (a) of this section for balancing and delivery tolerances. The  
103 department shall not establish, assess or impose a penalty upon any  
104 natural gas seller unless the affected gas company has incurred an

105 actual monetary loss.

106       Sec. 4. (NEW) (*Effective from passage*) (a) Each gas company shall  
107 maintain the right to recall, on a daily basis, any or all of a natural gas  
108 seller's assigned capacity if the natural gas seller is declared ineligible  
109 to nominate gas or otherwise fails to meet the responsibilities for  
110 natural gas sellers. Any such natural gas seller that is declared  
111 ineligible to nominate gas or otherwise fails to meet the responsibilities  
112 for natural gas sellers may be subject to civil penalties imposed by the  
113 Department of Public Utility Control, provided, the department shall  
114 not assess any penalty that is unfair, disproportionate or otherwise  
115 does not accurately reflect any actual loss sustained by the affected gas  
116 company.

117       (b) On or before October 1, 2007, the Department of Public Utility  
118 Control shall establish credit policies for natural gas sellers and rules  
119 to govern capacity assignment, transfer or release. The department  
120 shall conduct a contested case hearing in accordance with chapter 54 of  
121 the general statutes to establish such capacity release rules and credit  
122 policies.

123       Sec. 5. (NEW) (*Effective from passage*) (a) Each gas company shall  
124 fully unbundle its rate schedules such that all discrete services  
125 provided by the gas company are separately identified and charged in  
126 such gas company's tariffs. Each gas company shall accurately and  
127 separately allocate the gas company's supply-related costs and  
128 distribution costs such that the gas company's supply rates set forth in  
129 its unbundled rate schedule accurately reflects the gas company's costs  
130 to provide retail natural gas service. Each gas company shall, by  
131 reallocating its costs, fully identify all supply-related costs in its supply  
132 rates, including, but not limited to, (1) commodity sales service; (2)  
133 distribution service; (3) ancillary services; and (4) the total costs to  
134 provide each such service.

135       (b) Each gas company shall use utility consolidated billing by which  
136 such gas company shall transmit one bill to natural gas customers that

137 includes gas service charges imposed by a natural gas seller. Each such  
 138 gas company shall purchase the receivables of the natural gas seller  
 139 with full and timely cost recovery for the gas company under terms  
 140 and conditions approved by the Department of Public Utility Control.

141 (c) Upon request by a natural gas seller, each gas company shall  
 142 provide to such requesting natural gas seller the following customer  
 143 information, provided, no gas company shall provide such information  
 144 relating to a customer who withholds or withdraws consent to do so:  
 145 (1) Account name; (2) billing address; (3) service address; (4) utility  
 146 account number or unique customer identifier; (5) utility rate class;  
 147 and (6) monthly historic consumption for the previous twenty-four  
 148 months. Each gas company shall update and provide the preceding  
 149 information to each natural gas seller on a quarterly basis.

150 Sec. 6. (NEW) (*Effective from passage*) Any natural gas seller may  
 151 solicit and enter into a sales agreement with a prospective customer  
 152 and act as such customer's agent, provided, however, that each such  
 153 natural gas seller shall obtain the customer's consent to initiate natural  
 154 gas service. Natural gas sellers may obtain customer consent and  
 155 enroll new customers by (1) telephonic; (2) electronic or Internet-based;  
 156 or (3) written agreement, which shall bear the customer's signature,  
 157 including facsimile copies of a customer-signed agreement.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>from passage</i>	New section
Sec. 2	<i>from passage</i>	New section
Sec. 3	<i>from passage</i>	New section
Sec. 4	<i>from passage</i>	New section
Sec. 5	<i>from passage</i>	New section
Sec. 6	<i>from passage</i>	New section

**Statement of Purpose:**

To offer choice of service for natural gas customers.

*[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]*